

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 3644 – HB 3923

May 10, 2010

SUMMARY OF AMENDMENTS (015770, 016006, 018360): Amendment 015770 deletes all language following the enacting clause. Requires entities that are licensed locksmith services providers to provide the Department of Commerce and Insurance a permanent and verifiable geographic location for their business. Failure to do so results in a violation of the Tennessee Consumer Protection Act of 1977. Authorizes the Commissioner of Commerce and Insurance to promulgate rules that establish minimum continuing education standards and to deny, suspend, or revoke any original or renewal license. Increases, from \$1,000 minimum and \$5,000 maximum to \$2,500 minimum and \$7,500 maximum, the amount of civil penalty for violations. Increases, from six to twelve months, the period of time a person is ineligible to apply for licensure once found to be engaging in locksmith services without a license. Increases, from \$5,000 to \$7,500, the civil penalty that can be assessed by the Commissioner of Commerce and Insurance for violation of rules. Defines any violation of the Locksmith Licensing Act of 2006 as a Class A misdemeanor. Requires all persons providing locksmith services to provide a current and valid locksmith license for advertisement purposes. Amendment 016006 deletes an incorrect section reference in Section 2 of the original amendment. Amendment 018360 increases the amount of a civil penalty for violations and the amount of penalty that can be assessed by the Commissioner to a maximum of \$2,500.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$7,600/One-Time/Locksmith Licensing Program
Increase State Expenditures - \$7,600/One-Time/Locksmith Licensing Program

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue - \$7,600/One-Time/Locksmith Licensing Program
Not Significant/Recurring/General Fund
Increase State Expenditures - \$7,600/One-Time/Locksmith Licensing Program
Not Significant/Recurring/General Fund

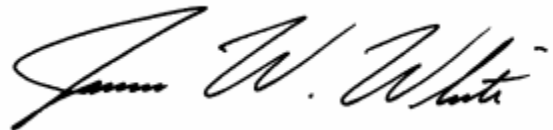
Increase Local Revenue – Not Significant
Increase Local Expenditures – Not Significant

Assumptions applied to amendments:

- According to the Department of Commerce and Insurance, the program will incur one-time expenditures of \$7,626 which includes a rule-making hearing (\$5,000), upgrades to the current licensing software (\$1,000), and mailing of notice of change in requirements to all current licensees (\$1,626). The program will increase fees to cover these expenses which will result in a one-time increase in state revenue of \$7,626.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory programs are required to be self-supporting over a two-year period. As of June 30, 2009, the program had a negative balance of \$31,289.09
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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